

Date: **July 16, 2003**

Bulletin Number: **03-0247**

AMERICAN ASSOCIATION
OF INSURANCE SERVICES

Line(s) of
Insurance:

Agricultural Output
Artisans
Businessowners
Commercial Inland
Marine
Commercial Liability

Commercial Output
Commercial Output XL
Commercial Properties
Contractors &
Developers Output
Crime

Farm Properties
Farmowners
Glass
Personal & Premises
Liability

1745 S. Naperville Road
Wheaton, IL 60187-8132

630-681-8347

800-564-AAIS

FAX 630-681-8356

EMAIL info@AAISonline.com

WEB www.AAISonline.com

*****This bulletin and its attachments have been made available at the AAIS open Web site: AAISonline.com.
This bulletin will not be distributed in a paper format.*****

NEBRASKA TERRORISM EXCLUSION ENDORSEMENTS REVISED

Terrorism exclusion endorsements that do not contain a fire exception have been filed, with a proposed effective date of **October 1, 2003**, as replacements for the terrorism exclusion endorsements that are currently on file in Nebraska. In addition, several of the terrorism rule and rating information manual supplement pages have been updated in order to reflect the change in endorsements.

BACKGROUND

An amendment to Section 44-501, Subdivision (6) of the Revised Statutes of Nebraska was included in Legislative Bill 216. The amendment, which takes effect on August 31, 2003, adds to the existing list of insurance classes that are exempt from standard fire policy requirements, 'risks of a commercial nature'.

In response to this change, AAIS has resubmitted terrorism materials that do not contain a fire exception for all filed Commercial Lines programs.

CHANGES

Tables A, B, and C that follow show the programs in which endorsements are being replaced and manual supplement pages are being changed.

NOTE: The only programs in which endorsement replacements are required are those in which property coverage is provided.

The new endorsements differ from the current endorsements only to the extent that the Terrorism Exclusion present in each new endorsement does not contain a fire exception. A copy of each endorsement that has been submitted in Nebraska is available on our public web site, at <http://www.aaisonline.com/terrorism.htm>, as an attachment to Bulletin 02-0550.

The revised Rule pages differ from the current Rule pages only to the extent that no mention of the standard fire policy is made, and the endorsement numbers shown for each program have been updated to reference exclusion endorsements that do not contain a Fire Exception.

The revised Rating Information page differs from the current Rating Information page only to the extent that the factors shown for Fire-Following Coverage, that previously was required by statute to be provided, have been deleted from the table.

TABLE A (Certified Endorsements)

Program	New Endorsement	Current Endorsement
Agricultural Output	CL 0610 12 02	CL 0620 12 02
Artisans	AP 0710 12 02	AP 0720 12 02
Businessowners	BP 0760 12 02	BP 0770 12 02
Commercial Output	CL 0610 12 02	CL 0620 12 02
Commercial Output XL	CL 0610 12 02	CL 0620 12 02
Commercial Properties	CL 0610 12 02	CL 0620 12 02
Contractors & Developers Output	CL 0610 12 02	CL 0620 12 02
Farm Properties	FL 0610 12 02	FL 0620 12 02
Farmowners	FO 0610 12 02	FO 0620 12 02

TABLE B (Non-Certified Endorsements)

Program	New Endorsements	Current Endorsements
Agricultural Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Artisans	AP 0730 12 02 AP 0750 12 02	AP 0740 12 02 AP 0760 12 02
Businessowners	BP 0780 12 02 BP 0800 12 02	BP 0790 12 02 BP 0810 12 02
Commercial Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Output XL	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Commercial Properties	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Contractors & Developers Output	CL 0630 12 02 CL 0650 12 02	CL 0640 12 02 CL 0660 12 02
Farm Properties	FL 0630 12 02 FL 0650 12 02	FL 0640 12 02 FL 0660 12 02
Farmowners	FO 0630 12 02 FO 0650 12 02	FO 0640 12 02 FO 0660 12 02

TABLE C (Rule and Rating Information Page Supplement)

Program	New Supplement Page(s)	Current Supplement Page(s)
Agricultural Output, Artisans, Businessowners, Commercial Inland Marine (Filed Classes), Commercial Liability, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, Farm Properties, Farmowners, Glass, and Personal & Premises Liability (Farm Only)	Rules -- 2 (Rev 1.1)	Rules -- 2 (Rev 1.0)
	Rules -- 3 (Rev 1.1)	Rules -- 3 (Rev 1.0)
	Rules -- 6 (Rev 1.1)	Rules -- 6 (Rev 1.0)
	Rules -- 7 (Rev 1.1)	Rules -- 7 (Rev 1.0)
	Rating Information - 1 (Rev 1.1)	Rating Information - 1 (Rev 1.0)

FILING NUMBERS

The AAIS filing numbers that apply to the certified and non-certified Nebraska submissions are shown below.

Certified Materials

Program	AAIS Filing Number
Agricultural Output, Artisans, Businessowners, Commercial Inland Marine (Filed Classes), Commercial Liability, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, Farm Properties, Farmowners, Glass, and Personal & Premises Liability (Farm Only)	AAIS-2003-16C

Non-Certified Materials

Program	AAIS Filing Number
Agricultural Output, Artisans, Businessowners, Commercial Inland Marine (Filed Classes), Commercial Liability, Commercial Output, Commercial Output XL, Commercial Properties, Contractors & Developers Output, Crime, Farm Properties, Farmowners, Glass, and Personal & Premises Liability (Farm Only)	AAIS-2003-16NC

EFFECTIVE DATE

In accordance with Section 106(a)(2)(B) of the Terrorism Risk Insurance Act of 2002, the certified materials described in this bulletin have been submitted on a file-and-use basis for policies effective on or after **October 1, 2003**, and the non-certified materials have been submitted on a prior approval basis, for policies effective on or after **October 1, 2003**. As a result, companies may begin using the certified materials on **October 1, 2003**, but should refrain from using the non-certified materials until further notified by AAIS that formal approval of these materials has been received.

COMPANY ACTION

All Filed Programs

Endorsements, Manual Rules, and Rating Information (Certified)

With respect to the programs referenced in this Bulletin, companies that have granted AAIS filing authority can adopt the AAIS certified terrorism materials on the effective date designated by AAIS without notifying the insurance department.

Endorsements and Manual Rules (Non-Certified)

The company action needed to adopt the AAIS Non-Certified terrorism materials will be provided in the Bulletin that announces the non-certified filing's approval.

SUPPLIES

Endorsements

The forms and endorsements filed for use in this state are available from CCH Insurance Services Inc. (CCH), the print vendor for AAIS forms and endorsements. Call CCH at (800) 382-2424 to order forms and endorsements in paper printed format. Call CCH at 800-782-9481 to order the text of AAIS forms in a variety of electronic formats.

AAIS also offers the text of forms and endorsements in limited electronic formats. Call Veronica Clarke at 800/564-AAIS for more information.

Manual Supplements

The terrorism manual supplements in the AAIS manuals posted to the subscriber Web site, *AAISdirect.com*, will be updated in the near future to reflect the attached Revision 1.1 information.

Forms and Endorsements Listings

The forms and endorsements listings posted to the subscriber Web site, *AAISdirect.com* will be updated in the near future to reflect the change to terrorism endorsements that do not contain a fire exception.

WEB SITE POSTINGS

This bulletin, and its **ATTACHMENT**, are posted to the AAIS open Web site at <http://www.aaisonline.com/terrorism.htm>.

ATTACHMENT

-- Nebraska Terrorism Loss Rules and Rating Information Page Supplement (Rev 1.1)

Direct Questions to:

Edie Gardner, CPCU
Product Development Specialist
edieg@AAISonline.com

AAISDIRECT AND AAIS PRODUCT ADVISORY

All AAIS bulletins, forms, manuals, and other resource information for all lines of insurance are now available online. For a two-week trial of our Internet service, *AAISdirect*, or a cost quote, contact Rick Anderer. E-mail Richarda@AAISonline.com or call 800/564-AAIS.

The AAIS e-mail publication, *AAIS Product Advisory*, provides bulletin summaries and other timely information related to products to anyone at your company at no charge. Unlike *AAISdirect*, you can subscribe to *AAIS Product Advisory* whether your company is affiliated or not.

While valuable as a stand-alone service, the *AAIS Product Advisory* is an ideal complement to *AAISdirect*. The communication gives you an overview of new information posted weekly on *AAISdirect* and is directly linked to the site so that you can quickly access complete copies of bulletins.

For more information and to sign up, go to www.AAISonline.com or contact Pat Peters at Patp@AAISonline.com.